

WATER SERVICE AND VOLUNTARY ANNEXATION AGREEMENT

This Water Service and Voluntary Annexation Agreement is made and entered into between the City of Watertown, acting by and through its Municipal Utilities Department, hereinafter, "MU", and Fireside Camper, Inc., a South Dakota Corporation of 1300 13th Street N.E., Watertown, South Dakota, hereinafter "OWNER", and is subject to the following terms and conditions:

1. Purpose.

The purpose of this Agreement is to define the terms and conditions under which MU will allow OWNER to receive water service from MU to the real property legally described as:

Lot 4 of Endres East First Addition in Government
Lots 3 & 4 of the NW/4 Sec 2-T116N-R52W
Codington County, South Dakota.

and depicted on Exhibit A, attached hereto and incorporated by reference.



2. Consideration.

The parties to this Agreement hereby acknowledge that the above-described property is not currently located within the corporate limits of the City of Watertown. The parties further acknowledge that MU has a policy which prohibits property located outside the corporate limits of the City of Watertown from connecting to MU's water service without specific authorization from the MU Board. MU further acknowledges that its decision to exercise its discretion, and allow OWNER to connect to water service, is based, in part, on OWNER's property being located within the established boundaries of the City of Watertown's "Future Land Use Map #19 (2005-2020)" a copy of which is attached hereto as Exhibit B, and is incorporated by reference. The parties agree that for and in exchange of MU knowingly and voluntarily waiving its policy prohibiting connection to its water main by a property not located within its corporate limits, OWNER agrees that it will voluntarily petition the City of Watertown for annexation as soon as any portion of the property described in Paragraph 1, *supra*, becomes contiguous to the City of Watertown, in the manner prescribed by law in effect at the time such petition is submitted.

3. Obligations of MU.

MU hereby agrees that immediately upon execution of this Agreement, OWNER shall be permitted to connect to the water main located in front of the property described in Paragraph 1, *supra*, in a manner consistent with MU policy governing connection to its water main.

4. Obligations of OWNER.

OWNER agrees that is shall make its connection to the above-described water main in a manner consistent with MU policy, and will comply with all policies and procedures regarding the use of, and payment for, water service. OWNER expressly acknowledges that any and all future connections to water service over and upon the above-described real property shall be performed, and assessed, in a manner consistent with MU policy at the time of such future connection. OWNER further agrees that in the event the above-described property, or any portion thereof, is transferred or conveyed in any manner prior to the date prescribed for submission of its Voluntary Petition for Annexation described hereunder, OWNER will disclose this annexation requirement at the time of conveying any legal or equitable interest therein, and shall make any subsequent transfer subject to the annexation requirement herein. OWNER further acknowledges and agrees that the annexation required hereunder shall not be waived or extinguished by MU in the event OWNER voluntarily terminates water service prior to the time set for

submission of the petition for annexation. OWNER further acknowledges and agrees that if annexation does not occur for any reason directly attributable to OWNER, MU shall have the discretion to terminate water service.

5. Hold Harmless.

OWNER agrees to indemnify and hold MU harmless from claims arising from the installation, use, maintenance or repair of water service over and upon the above-described real property, except for claims arising from the gross negligence of MU, its employees, agents or assigns.

6. Successors and Assigns.

This Agreement shall run with the property, and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives and assigns.

7. Miscellaneous.

A. This Agreement constitutes the entire agreement and understanding of the parties, and supersedes all offers, negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by both parties.

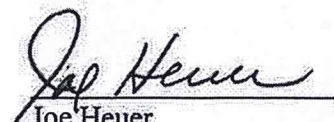
B. This Agreement shall be construed in accordance with the laws of the State of South Dakota.

C. If any term of this Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this Agreement, which shall continue in full force and effect. The parties shall agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.


D. This Agreement may be executed in any number of counterpart copies, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

Dated this 31st day of May, 2005.

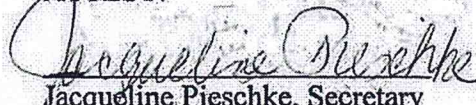
OWNER:


Joe Heuer
President

MUNICIPAL UTILITIES:


Dennis Solberg, President
Municipal Utility Board

ATTEST:


Jacqueline Pieschke, Secretary
Municipal Utilities Board

(SEAL)

State of South Dakota

County of Codington

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On this the 13 day of May, 2005, before me, the undersigned officer, personally appeared Joe Heuer, who acknowledged himself to be the President identified in the foregoing Water Service and Voluntary Annexation Agreement, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of himself as President.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Wendy L. Brown
Notary Public
WENDY L. BROWN
NOTARY PUBLIC
SOUTH DAKOTA
My commission expires: 9-16-07

State of South Dakota

County of Codington

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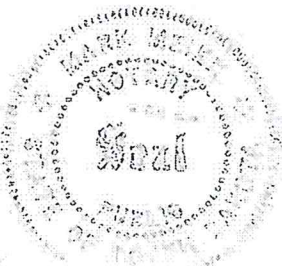
On this the 31st day of May, 2005, before me, the undersigned officer, personally appeared Dennis Solberg and Jacqueline Pieschke, who acknowledged themselves to be the President of the Municipal Utilities Board and Secretary of the Municipal Utilities Board, respectively, of the City of Watertown, a municipal corporation, and that they as such President and Secretary of the Municipal Utilities Board, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Watertown by themselves as President and Secretary of the Municipal Utilities Board.

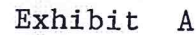
IN WITNESS WHEREOF I hereunto set my hand and official seal.

Wendy L. Brown
Notary Public

(SEAL)

My commission expires: June 6, 2010





Endres East First Addition is formerly a portion of Gov't Lots 3 & 4 in the NW¼ of Section 2, T116N, R52 West of the 5th P.M., Condington County, South Dakota, less tracts previously deeded.

Subject to Easements and Encroachments Not Found of Record

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